City of Atlanta 2003 Legislative Package

- 1. Economic Development
- **A. A.** Amend Business Expansion Support Act to allow the Job Credit Provision to include undeveloped eligible census tracts in urban areas.

1. 2. Municipal Government

- **A. A.** Amend Open Records Act to exempt security related measures.
- **B. B.** Amend State law to allow local governments to prohibit landlords from placing evicted tenants' possessions in the right-ofway.

2. 3. Revenue/Fiscal

- **A. A.** Amend State law to allow local governments to increase Alcohol License Fees.
- **B. B.** Amend State law to allow local governments to increase fines for non-compliance with licensing regulations.
- **C. C.** Amend State law to allow local governments to impose an excise tax on by-the-glass sales of beer and wine.
- **D. D.** Amend State law to allow local governments to impose a tax on prepared foods and non-alcoholic beverages.
- **E. E.** Amend City of Atlanta Charter to allow City of Atlanta to levy an excise tax on parking facilities.
- **F. F.** Amend State law to allow the Municipal and Traffic Courts to require convicted non-indigent offenders to pay a fee to reimburse the City for the costs of booking and processing those offenders.
- **G. G.** Amend State law to allow local governments to impose a tax on cigarette sales.
- **H. H.** Amend State law to exempt municipal capital improvements from the state sales tax.
- **I.** Amend State law/Constitution to permit local governments to issue short-term commercial paper to finance capital improvement projects.
- **J. J.** Request sufficient State funding for housing and treatment for the mentally-ill/substance-addicted homeless population.

K. K. Amend State law to require the City Court of Atlanta to compensate the City of Atlanta for the costs of traffic law enforcement.

3. 4. Sewer/Wastewater

- **A. A.** Support earmarking of stipulated penalties paid to the State of Georgia for spills and other Consent Decrees violations to fund supplemental environmental projects in the City of Atlanta.
- **B. B.** Amend State law to expand authority of local governments to place water/sewer liens on real property to collect water/sewer charges.
- **C. C.** Amend State law to exempt water and sewer accounts from the current four year collection deadline.

4. 5. Transportation

A. A. Support the establishment of a committee to study regional transportation and MARTA funding.

Expression of Continued Support

The City of Atlanta hereby expresses its continuing support for the herein listed items that were contained in the 2002 City of Atlanta Legislative Package.

Criminal Justice

Support legislation to authorize parole for juvenile offenders serving mandatory sentences in adult facilities.

Homeland Security

Support State income tax exemption for salaries of sworn officers.

Municipal Government

Support amendment to the Open Records Act to provide for an exemption for homicide photographs.

Seek participation in the Legal Loan Forgiveness Program.

Support legislation to allow retired African-American police officers to become members of the Peace Officers' Annuity and Benefit Fund.

Revenue/Fiscal

Support legislation to increase the monthly surcharge for 911 calls.

ONE GEORGIA EXPANSION

_

Department: Planning

-

Summary – This proposal seeks to have the job tax credit which is offered to businesses in the 40 least developed counties extended to businesses in similarly underdeveloped census tracts, regardless of the overall economic vitality of the county in which they are located. Eligible urban census tracts have difficulties attracting businesses, and these tax credits would improve their chances for revitalization. This change would remedy an apparently inadvertent oversight in the 1998 Amendment, which in effect cancelled the credits previously available to impoverished urban census tracts under the 1995 Georgia Business Expansion Support Act. Restoration of the eligibility of these urban census tracts would have the following benefits:

- Provide jobs in disadvantaged communities.
- Increase economic development within urban areas and the State in general.
- <u>Utilize existing infrastructure</u> within urban areas reducing taxpayer costs associated with building new infrastructure.
- Increase density of development thereby reducing sprawl and its associated environmental and quality of life costs, including loss of greenspace, traffic congestion, and air pollution.
- Provide incentives for brownfield development and cleanup.

Requested Change – This proposal seeks an amendment to the 1998 Amendment to the 1995 Georgia Business Expansion Support Act to include tax credits for retail businesses within underdeveloped census tracts which have been deemed eligible for incentives provided in said act. These tax credits would be given to retail businesses that create jobs that pay at least 50% more than the minimum wage.

Expenses/Fiscal Estimate – The revenue gain to the City if this proposal is enacted would be indirect, occurring through redevelopment of unused properties and increased economic activity. Atlanta Development Authority has been working on several projects that would be eligible for credits, including the Historic Westside Village and Centennial Place.

OPEN RECORDS SECURITY EXEMPTION

Department: Water/Law

Summary – This bill seeks to have security plans exempted from the Open Records Act. The proposed language is self-explanatory.

Requested Change – Amend O.C.G.A. Section 50-14-3 so as to expressly cover meetings which discuss issues related to the exemption outlined below.

Amend O.C.G.A. 50-18-72 in subsection (a) of Code Section 50-18-72, relating to government records which are not required to be disclosed to the public, by striking the word "or" at the end of paragraph (13.1); by replacing the period at the end of paragraph (14) with the symbol and word "; or"; and by adding a new paragraph (15) to read as follows:

- "(15) Records which would compromise the security against terrorist or other attack of one or more government facilities or operations by revealing any of the following:
- (A) The elements of a plan for protection against terrorist or other attack, which plan elements depend for their effectiveness in whole or in part upon a lack of general public knowledge of such elements;
- (B) The existence, nature, location, or function of security devices designed to protect against terrorist or other attack, which devices depend for their effectiveness in whole or in part upon a lack of general public knowledge of such devices:
- (C) Plans, blueprints, or other materials which would reveal information about the structure or function of a government facility, which information is not already general public knowledge and which information if made publicly available could facilitate the planning of a terrorist or other attack against or by means of the facility. By way of illustration and not limitation, information protected under this subparagraph may include information concerning such things as: the location and function of nonpublic points of entry to and exit from government facilities; the location and function of government facility ventilation and utility systems; the location and function of government facility computers; and the location and function of generation, processing, and transmission facilities used in water, gas, electric, and other utility systems and plants operated by any agency; or (D) In the event of litigation challenging nondisclosure by an agency, the court may review the documents in question in camera and may condition disclosure upon such measures as the court may find in writing to be necessary to protect against endangerment of life, safety or public property."

Expenses/Fiscal Estimate – N/A

Additional Information – A version of this legislation passed the House in 2002, but was killed during the final day by the Senate as they amended it without time for reconsideration by the House.

EVICTION PROCEDURES

-

Department: City Council

Summary – This proposal would give local governments the authority to prohibit landlords from placing the possessions of evictees in the right-of-way.

Requested Change – Current state law requires landlords to put the property of evictees into the right-of-way. This proposal would remove this requirement, and allow local governments to prohibit such activity.

Expenses/Fiscal Estimate – The City of Atlanta incurs substantial expense as a result of the current law requiring landlords to place tenants' possessions on the right-of-way. This proposal would alleviate that expense.

LIQUOR LICENSE FEES

Department: Finance

Summary – This proposal intends to increase the annual alcohol license fee charged by the City to \$10,000. The current State law states the annual license fee charged by a municipality or county can be no more than \$5,000 for each license. There are 1,607 accounts. The City would have the flexibility to increase the license fee. In 1971 the State of Georgia approved a maximum cap at \$3,000. In 1980 the cap was increased to \$5,000. The cap has been set at \$5,000 for 22 years and has not kept pace with inflation and the public safety regulatory requirements.

Requested Change – The City is seeking State approval through the passage of legislation in the General Assembly.

The change would increase the cap from \$5,000 to \$10,000.

The State Code section affected is GA. L. 1937-38. Ex. Sess., p. 103, GA. L-1965, p. 451, 1; code 1933, SA-2313, enacted by GA. L 1980, P. 1573 1).

Expenses/Fiscal Estimate – The revenue increase to the City if this proposal is enacted is estimated to be \$3 million, if the City chose to increase the license fee to \$10,000.

LIQUOR LICENSE FINES

-

Department: License Review Board

Summary – This proposal would increase the ceiling on the fines the License Review Board is permitted to impose for violations. The current level is prescribed by state law, and it is \$1000.

Requested Change – The City seeks authority to increase the maximum fine for violations of the City Code by holders of liquor licenses from \$1000 to \$5000.

Expenses/Fiscal Estimate – The revenue gain to the City if this proposal is uncertain, as not all offenses would be punished at the maximum level.

BY THE DRINK BEER & WINE EXCISE TAX

-

Department: Finance

Summary – This proposal imposes a three percent (3%) excise tax on the purchase price of beer and wine. Current State law authorizes local governments to levy a by the drink excise tax on mixed drinks (distilled spirits) O.C.G.A. 3-4-130. There are approximately 450 accounts.

Requested Change – The City is seeking State approval through the passage of legislation in the General Assembly similar to that granted in O.C.G.A. 3-4-130.

Expenses/Fiscal Estimate – The revenue increase to the City if this proposal is enacted is estimated to be \$2.5 million.

PREPARED FOOD AND BEVERAGE TAX

Department: Finance

Summary – This proposal imposes a one percent (1%) tax above the current sales tax on prepared food and non-alcoholic beverages. Specifically, this would be a tax on any food and beverage, which the retailer has added value to or has altered its state (other than solely by cooling) by preparing, combining, dividing, heating, or serving, in order to make the food or beverage available for human consumption.

Requested Change – The City is seeking State approval through the passage of legislation in the General Assembly. This tax is currently enacted in North Carolina.

Expenses/Fiscal Estimate – The revenue increase to the City if this proposal is enacted is estimated to be \$9 million.

COMMERCIAL PARKING SURCHARGE

Department: Finance

Summary – This proposal imposes a surcharge, of ten percent (10%) on gross receipts of all commercial parking operators. This proposal's intent is to provide additional sources of income to defray the City's cost associated with meeting road and transportation service delivery requirements. The surcharge would be in the form of an excise tax levied on the gross revenues of all commercial area, space, garage, parking structure or other facility upon which motor vehicles are parked, stored or housed. This proposal is also congruent with the Atlanta region's efforts to promote mass transportation through decreasing the number of single occupancy vehicles, which is a contributor to the region's poor air quality.

Requested Change – The City seeks to gain authority to impose an excise tax through additional legislation from the Georgia General Assembly. Currently the City's levying authority does not allow the imposition of such a surcharge.

Expenses/Fiscal Estimate – The revenue gain to the City if this proposal is enacted is estimated to be \$4.2 million.

Additional Information – This source of income is levied in a significant number of U.S. cities. A City parking study committee that included representatives from the parking industry recommended this proposal.

INCARCERATION FEE

Department: Corrections

Summary – This proposal seeks authority to impose a fee upon non-indigent convicted offenders who were incarcerated in the City Jail, so as to recoup the costs of booking and processing those offenders. The proposal seeks to shift some of the cost for an offender's detention from the taxpayers to the criminal. The collected revenues could then be dedicated to the Inmate Welfare Fund to pay for medical treatment and other programs.

Requested Change – Still waiting for a draft from Corrections. Essentially, it would authorize the City to enact an ordinance implementing this proposal.

Expenses/Fiscal Estimate – The proposed fee would be capped at \$150 per individual, which would then generate up to \$150,000. Existing staff could handle the accounting and collection activities.

CIGARETTE TAX

Department: City Council

Summary – This proposal would permit the City of Atlanta to impose an additional tax on the sale of cigarettes. Currently, the State of Georgia imposes a relatively low per-pack tax on cigarettes and local governments are enjoined from imposing an additional tax. Increasing cigarette taxes have empirically raised revenues and reduced cigarette smoking in other jurisdictions.

Requested Change – This proposal would amend state law so as to allow certain municipalities to impose an excise tax on cigarettes.

Expenses/Fiscal Estimate – The proposal would result in substantial revenues for the City. Precise estimates are difficult since there is no exact figure for how many packs of cigarettes are sold in the City of Atlanta currently.

SALES TAX EXEMPTION

_

Department: Watershed Management

Summary – A current Georgia Administrative rate (560-12-2-.87) exempts certain machinery from sales tax pursuant to the filing of an application for exemptions. The intent of this proposal is to expand that exempt to include all materials incorporated in any public project that improves water, wastewater, road and airport infrastructure assets.

Requested Change – The amendment of O.C.G.A 48-8-63 (a) to exempt certain tangible property from sales tax as described above.

Expenses/Fiscal Estimate – The City of Atlanta has major capital projects underway totaling an estimated \$8 billion. Estimating that at least 50% of such amount is construction and that 40% of that amount is tangible property, the City could save in excess of \$100 million in total for tax exempt purchases.

COMMERCIAL PAPER

Department: Watershed Management

Summary – Relax restrictions on utilization of short-term debt by municipalities to finance capital projects. Current law prohibits the issuance of commercial paper by local governments.

Requested Change – This action may require a change in Georgia constitution as commercial paper issuance is prohibited, except for authorities. This change would allow local governments to take advantage of "just in time" financing.

Expenses/Fiscal Estimate – Reduces the cost of financing capital and other projects allows local governments to plan debt events more consistently with cash outlay requirements, thus reducing the overall cast of debt and risks relating to arbitrage violations. Savings on interest payments are estimated to average \$1 million per \$100 million in debt.

Additional Information – A proposal to permit the airport to use commercial paper was in the 2002 Legislative Package.

SUBSTANCE ABUSE/MENTAL ILLNESS TREATMENT

_

Department: City Council

Summary – This proposal requests higher levels of funding from the state for housing and treatment for the mentally-ill and substance dependant homeless population.

Requested Change – Current state funding is not adequate to provide for necessary levels of treatment and housing for the homeless in the City of Atlanta.

Expenses/Fiscal Estimate – The City of Atlanta incurs substantial expense as a result of the homeless population and a lack of adequate funding for treatment and housing. Higher levels of state and federal funding for housing and treatment would reduce the City's expenses, most of which are law enforcement related.

CITY COURT REVENUE SHARING

Department: City Council

Summary – This proposal would mandate revenue sharing between the City Court of Atlanta and the City of Atlanta to compensate for the costs of enforcement of traffic regulations and laws. Currently, the City Court makes no specific provision for reimbursing the City of Atlanta in its annual budget.

Requested Change – The current law on this point is vague, specifying only that after the City Court's expenses are paid, surplus funds may be used by the City of Atlanta to defray operating expenses. The request is to develop a formula which would specify some level of revenue sharing.

Expenses/Fiscal Estimate – The revenue gain to the City depends on the formula ultimately adopted, and the Finance Department is determining an optimal level.

CONSENT DECREE FINE RECYCLING

Department: Watershed Management

Summary – The Consent Decree and First Amended consent Decree provides for payment of stipulated penalties pursuant to noncompliance with terms and conditions of such decrees. The State of Georgia receives 50% of such penalties paid by the City, the balance being paid to the USEPA.

Requested Change – The Georgia Department of Natural Resources, Environmental Protection Division, has the authority to recommend the programming of penalty proceeds for Atlanta sponsored supplemental environmental projects.

Expenses/Fiscal Estimate – Keeps stipulated penalties (currently about \$250k to \$500k per year to EPD) within the City, to provide funding to address lower priority environmental projects.

Additional Information – The City has paid in excess of \$6,000,000 in fines relating to settling consent decree matters.

-

WATER/SEWER LIENS

Department: Watershed Management

Summary – Propose expanding the authority of the City of Atlanta to place water and sewer liens / judgments on real property and other property in connection with collection of delinquent service accounts- current law restricts liens to property owners with service in property owners name. This allows rent dwellers to incur charges and the owner to escape liability.

Requested Change – This is not a request for an appropriation. This legislation would direct responsibility for the utility service to the property owner and this provides greater capacity for collection.

Expenses/Fiscal Estimate – Provides enhancement to City's compliance with bond ordinances and covenants and provides for maximization of collection of accounts, which are being archived. Revenue collections could improve 2-3% per year. Based on current revenue, that calculates to \$4-6 million per year.

WATER/SEWER BILL COLLECTION

-

Department: Watershed Management

Summary – Amend water and sewer account collection authority to be consistent with the existing property tax collection statute. Presently, water and sewer accounts older than four years are not collectible under Georgia Law, whereas the statute for property taxes allows seven years for collection.

Requested Change – This is not a request for an appropriation. The City of Atlanta has covenanted in the Master Bond Ordinance to collect rates sufficient to provide for requirements to maintain and operate the water / wastewater system. This legislation would enhance the City's ability to meet this requirement.

Expenses/Fiscal Estimate – This legislation would extend the collection opportunity for water and sewer accounts beyond the current four year period and provide the City with greater legal leverage and options for collections.

Additional Information – Current City ordinances require that delinquent water and sewer accounts be recorded in the financial records of the City until action is taken pursuant to legislative action to write off accounts. This policy, together with the current limited ability to seek collection, inflates the stated value customer accounts and requires financial statements reserves to appropriatly reflect net realizable value.

MARTA STUDY COMMITTEE

Department: City Council

Summary – This proposal suggests the study of the funding issues related to MARTA and the future of regional transportation. Currently, MARTA is funded almost entirely by sales taxes from the City of Atlanta, Fulton County, and DeKalb County. MARTA has, however, expanded to now service parts of Gwinnett, Cobb, and Clayton Counties, and may expand further in the future. The current funding system is inequitable, and true regional transportation should have true regional funding.

Requested Change – This proposal seeks the formation of a Study Committee by the General Assembly which would include representation from the relevant jurisdictions as well as regional legislators.

Expenses/Fiscal Estimate – By itself, the Study Committee will have no fiscal impact on the City, but proposed solutions to the current situation might have substantial impact.

Additional Information – This item was in the 2002 Legislative Package, but did receive a floor vote.